

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 CAB-05 CIAE-00 COME-00 DODE-00 DOTE-00

EB-07 INR-07 NSAE-00 FAA-00 L-03 SSO-00 NEAE-00

INRE-00 /033 W

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O 121900Z MAR 76

FM AMEMBASSY SANA

TO SECSTATE WASHDC IMMEDIATE 7572

UNCLAS SANA 0853

FOR NEA/ARP

E.O. 11652: N/A

TAGS: EAIR, YE

SUBJECT: WORLD AIRWAYS WET LEASE AGREEMENT

1. PLS PASS TO EDWARD J.DALY OR W. HARDEN STINE OF WORLD
AIR, OAKLAND IMMEDIATELY, PHONE 415 636 1223 OR T 577 2000

AND J. REITER OF WORLD, WASH, D.D. 202 298 7107 FROM MR.

B. COOKE.

PER YOUR INSTRUCTIONS I HAVE NOT FIRMLY COMMITTED WORLD TO
YEMEN. HAVE SIGNED OFFER/ACCEPTANCE LETTER HOWEVER, WITH UNDER-
TANDING THAT IF IN 24 HOURS FROM TODAY, MARCH 12, 23
INFORM YEMENAIR THAT WORLD HAD AN ACCEPTANCE OF ALTERNATIVE
OFFER PRIOR TO YEMEN ACCEPTANCE, WORLD NOT RPT NOT
BOUND. FOLLOWING IS COPY OF MY LETTER TO YEMEN AIR
EXPLAINING SITUATION:

DEAR MR. SHAFI:

I WAS INFORMED THIS MORNING BY TELEPHONE
FROM OUR HEAD OFFICE IN OAKLAND,
CALIFORNIA, THAT AT 1830/11 GMT, OR 9:30. P. M.
LAST NIGHT YEMEN TIME, PSA, A CALIFORNIA INTRA-STATE AIRLINE,
TELEXED WORLD TO ADVISE THAT IT ACCEPTED WORLD'S
OFFER OF N691WA ANDN N693WA FOR LEASE FOR A
13 1/2 MONTH TERM BEGINNING APRIL 1, 1976, WITH

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OPTION TO RENEW FOR AN ADDITIONAL TERM OF

ONE YEAR, THEREAFTER, THIS IS A STRAIGHT DRY LEASE,
WITHOUT ANY SUPPORT SERVICES. YOU WILL RECALL IN MY
LETTER OF MARCH 8 THAT I EXPLAINED THE
TENDENCY OF OFFERES OF THESE AIRCRAFT TO
OTHER AIRLINES, AND SPECIFICALLY
PSA, WHICH EXPECTED REACH ITS DECISION ON MARCH 10.

SO THE PREDICAMENT IN IN WHICH WE SUDDENLY FIND
OURSELVES IS NOT UNEXPECTED.

THE QUESTION AS TO WHETHER OR NOT WE CAN MORALLY,
AND LEGALLY, CONSTRUE OUR CLOSING EXCHANGE
AT THE MEETING OF YESTERDAY EVENING AS
AN ACCEPTANCE BY YEMENAIR OF WORLD'S OFFER IS A COMPLEX
ONE. I HAVE PUT THE QUESTION TO OAKLAND, BUT THERE
HAS OF COURSE BEEN NO RESPONSE
AS YET, SINCE UNTIL WE MEET TONIGHT AND YOU CONFIRM
IN WRITIING THAT YOU ACCEPT THE TERMS OF
OUR LATEST OFFER, I CANNOT STATE WITH CERTAINTY AND
CONFIDENCE THAT THERE IS FULL AGREEMENT BETWEEN US,
EXCEPT FOR DOCIFICATION. BECAUSE OF THE CONFUSED
SITUATION, I WILL BE GETTING BACK IN TOUCH WITH OAKLAND
BY TELEX AT 7:15 P.M. THIS EVENING. MEANWHILE, IF YOU FIND
THE OFFER LETTER THAT
I HAVE PREPARED TO REFLECT OUR UNDERSTANDING OF OUR
DISCUSSION ON LAST NIGHT, I WOULD URGE THAT
YOU SIGN IT, IN ORDER THAT I CAN INFORM OAKLAND ACCORDINGLY.

WORLD AIRWAYS INC.
BRIAN A. COOKE
SENIOR VICE PRESIDENT

2. FOLLOWING ARE CLOSING FOUR PARAGRAPHS OF THE FOUR
PAGE OFFER: ACCEPTANCE LETTER. BOTH CHAIRMAN SHAI
AND AMBASSADOR SCOTES CONCUR IN MY JUDGMENT THAT THERE
WAS FULL AGREEMENT AT CLOSE OF LAST NIGHT'S MEETING,
MARCH 81,#
WHICH FINISHED TOO LATE TO PHONE OR TELEX.
HOWEVER, IF I AM TO ADVISE THEM THAT WORLD VIEWS TELEXED
ACCEPTANCE BY PSA PREVAILS MUST DO SO NO LATER THAN
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1700/13 GMT MARCH 13 OR WE ARE COMMITTED TO YEMEN.

THIS LETTER, WITH ITS ATTACHMENTS, CONSTITUTES
THE FINAL OFFER OF WORLD. WITH WRITTEN
ACCEPTANCE BY YEMEN, IN THE FORM HEREINAFTER SPECIFIED,
THIS LETTER REPRESENTS A FIRM AND BINDING AGREEMENT ON BOTH
PARTIES, EXCEPT THAT, AS EXPLAINED IN MY LETTER OF MARCH 1, 1976,
THESE AIRCRAFT HAVE BEEN OFFERED TO OTHER CARRIERS, AND

IF IT SHOULD BE DETERMINED THAT THERE HAS BEEN AN ACCEPTANCE

BY ANOTHER CARRIER PRIOR IN TIME TO THE YEMEN
ACCEPTANCE, OF WHICH WE WILL NOTIFY YOU
WITHIN 24 HOURS, THIS LETTER AGREEMENT
WILL NOT BE BINDING ON WORLD OR YEMEN.

IN ORDER FOR YOUR WRITTEN ACCEPTANCE BELOW TO BE BINDING UPON WORLD

YEMEN AIRWAYS DOES, BY YOUR SIGNATURE BELOW,
AGREE TO PAY TO WORLD THE SUM OF USD 100,000 ON OR

BEFORE THE CLOSE OF BUSINESS, MONDAY, MARCH 15, 1976, THROUGH

FIRST NATIONAL CITY BANK, SANAA BRANCH, OR BY OTHER MUTALLY
ACCEPTABLE MEANS, SUCH PAYMENT TO CONSTITUTE GOOD FAITH
DEPOSIT WHICH WILL UPON YOUR EXECUTION OF THE
SUPPORT SERVICE AGREEMENT AND LEASE AGREEMENT,
BECOME THE DEPOSIT HELD UNDER THE
SUPPORT SERVICE AGREEMENT.

UPON YOUR SIGNATURE OF ACCEPTANCE BELOW, AA
AND WORLD WILL IMMEDIATELY DRAFT
DEFINITIVE AGREEMENTS COVERING THE AA-YEMEN
AGREEMENT AND INCORPORATING THE
TERMS AND CONDITIONS OF THE AIRCRAFT LEASE
AND SUPPORT SERVICES SET FORTH
HEREIN, SUCH DRAFT AGREEMENTS TO BE PRESENTED TO YEMEN
IN SANA NO LATER THAN THURSDAY, MARCH 18, 1976.
THE PARTIES FURTHER AGREE TO NEGOTIATE ON AN
EXPEDITED BASIS TO PERMIT EXECUTION OF THE TWO
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WORL-YEMEN AGREEMENTS ON THE GAYEMEN#AGREEMENT,
NO LATER THAN SATURDAY, MARCH 20, 1976.

YOUR SIGNING AND
RETURNING THE ATTACHED COPY OF THIS LETTER WILL
CONSTITUTE YOUR ACCEPTANCE OF WORLD'S OFFER AS SET
FORTH HEREIN AND THE
LETTER IS CONSIDERED A BINDING COMMITMENT ON

BOTH PARTIES EXCEPT AS OTHERWISE STATED ABOVE.

3. CHAIRMAN SHAI F SIGNED THE AGREEMENT IN THE FORM
DEVELOPED BY ME AND IN ACCORDANCE WITH MY UNDERSTANDING
OF THE AGREEMENT REACHED LAST NIGHT WITHOUT A SINGLE

CHANGE. LETTER MENTIONED FOLLOWING LANGUAGE RE 727 PAX
AIRCRAFT:

WORLD WILL BE ENTITLED TO SUBSTITUTE FOR EITHER OR
BOTH OF THE AFOREMENTIONED AIRCRAFT, ANY OTHER
B727-100 TYPE AIRCRAFT WHICH MAY
BE FIGURED TO ACCOMMODATE 131
SEATS AND WHICH CAN ACCOMMODATE AN AVAILABLE NBIN#
LOAD IN POUNDS EQUAL TO OR GREATER THAN

AFOREMENTIONED AIRCRAFT: THE SUBSTITUTE
AIRCRAFT MAY BE OF THE "STRAIGHT
PASSENGER, NON-CONVERTIBLE" TYPE.

4. COOKE AND BERBOTH WILL REMAIN SANA TO FINALIZE AND
OBTAIN SIGNATURE ON DETAILED LEASE AGREEMENT AND SUPPORT

SERVICE AGREEMENT ASAP UNLESS OTHERWISE DIRECTED.
SCOTES

NOTE BY OC/T: NOT PASSED ABOVE ADDRESSEE.
AS RECEIVED.

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